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ABSTRACT

The Emergency School Assistance Program provides grants to school districts to defray the costs of meeting special problems arising from the desegregation of elementary and secondary schools. This report deals with the second of two phases of the review of this program, made at 28 of a sample of 50 participating school districts. The objective of the second phase was to find out whether the school districts were: (1) accomplishing the program activities as described in their program applications; (2) using their grant funds to defray the costs attributable to special problems arising from the desegregation of their schools; and, (3) complying with the program's regulations and with the assurances concerning program activities stated in their applications. The records of the school districts and selected schools within the district relating to their program grants were examined, and the findings were discussed with school district officials, school principals and teachers, members of the biracial and student program advisory committees, and officials of the Department of Health, Education, and Welfare. (Author/JM)



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-164031(1)

Dear Mr. Chairman:

This is our report on weaknesses in school districts' implementation of the Emergency School Assistance Program administered by the Department of Health, Education, and Welfare. Our review was made pursuant to your request of November 24, 1970.

We believe that the contents of this report will be of interest to other members of Congress. Release of the report, however, will be made only upon your agreement or upon public announcement by you concerning its contents. Although the report contains recommendations to the Secretary of Health, Education, and Welfare, neither the Department of Health, Education, and Welfare nor the Office of Education has been given an opportunity to formally comment on this report.

Sincerely yours,

A handwritten signature in cursive script, reading "James B. Stets", is written over the typed name.

Comptroller General
of the United States

The Honorable Walter F. Mondale
Chairman, Select Committee on
Equal Educational Opportunity
United States Senate

*COMPTROLLER GENERAL'S REPORT
TO THE SELECT COMMITTEE ON
EQUAL EDUCATIONAL OPPORTUNITY
UNITED STATES SENATE*

*WEAKNESSES IN SCHOOL DISTRICTS'
IMPLEMENTATION OF THE EMERGENCY
SCHOOL ASSISTANCE PROGRAM
Department of Health, Education, and
Welfare B-164031(1)*

D I G E S T

WHY THE REVIEW WAS MADE

The Emergency School Assistance Program (ESAP), administered by the Department of Health, Education, and Welfare (HEW), provides grants to school districts to defray the costs of meeting special problems arising from the desegregation of elementary and secondary schools. The program was established in August 1970, under six existing legislative authorities, with a \$75 million appropriation.

At the request of the Chairman of the Senate Select Committee on Equal Educational Opportunity, the General Accounting Office (GAO) reviewed the implementation of the program.

This report concerns the activities of 28 school districts in implementing the program. An earlier report to the Committee (B-164031(1), March 5, 1971) concerned the need for HEW to improve its policies and procedures for approving grants under the program.

The Office of Education and HEW have not been given the opportunity to formally examine or comment on this report. Most of the matters were discussed with school district and agency officials who generally indicated that corrective action would be taken.

FINDINGS AND CONCLUSIONS

In many cases school districts were not complying with the HEW regulations and the assurances given in their applications. Although some of these cases did not affect the conduct of the school districts' program activities adversely, GAO's review indicates a need for HEW to strengthen its monitoring of projects under the program.

Of the 28 school districts, 24 appeared to be eligible for program assistance. One was ineligible because it was not in the final phase of desegregation at the beginning of the 1970-71 school year, contrary to the regulations. In the other three school districts, questions of compliance with the nondiscrimination requirements of title VI of the 1964 Civil Rights Act were unresolved. (See pp. 13, 40, 41, and 56.)

Generally the districts' activities were directed toward meeting special needs associated with achieving and maintaining a desegregated school

SEPT. 29, 1971

system. Some activities, however, appeared to be directed more toward aiding education in general than toward solving problems arising from desegregation.

Weaknesses in project implementation

In some school districts, project activities may not be implemented or will be only partially implemented during the grant periods, which will leave unresolved the problems of desegregation. In addition, a number of activities were not being carried out in accordance with the provisions of the applications or with certain program requirements.

Examples of poor program implementation by school districts include

- using program funds to hire employees or to acquire equipment for which there was no apparent need in the ESAP project,
- hiring employees for the program at salary rates which exceeded the limitations set by the conditions of the grants without prior written approval of HEW, and
- assigning only minority group students to an education center for which both minority and nonminority group students had been recommended.

Other examples of poor program implementation are summarized in chapter 7.

In its application a school district must give formal assurances that it will comply with certain conditions and will meet HEW regulations. Most of the districts had not fully complied with at least one of the assurances or with certain regulations.

- Two school districts had not taken effective action to assign teachers and other staff members who work directly with children so that the ratio of minority group and nonminority group teachers and staff in each school was substantially the same as the overall ratio for the school district. (See pp. 35 and 50.)
- Two school districts were using program funds to supplant non-Federal funds available to them prior to desegregation. (See p. 53.)
- One school district had leased a school building for \$500 a year to a private school for white students only, without reporting the transaction to HEW as required. (See p. 52.)

Reasons for weaknesses

The weaknesses in project implementation were attributable, to a high degree, to the emergency nature of the program and to its need for expeditious planning, funding, and implementation. The lack of an effective

HEW regional office monitoring system also contributed to the weaknesses in project implementation.

RECOMMENDATIONS OR SUGGESTIONS

To help ensure that grant funds are used for the intended purposes, the Secretary of HEW should follow up on the matters discussed in this report and should take corrective action. He should also use the HEW Audit Agency, when appropriate.

Further, to help minimize the occurrence of similar problems in the event that additional Federal funding is authorized to help school districts defray the costs of meeting problems arising from desegregation, the Secretary should

- allow school districts a reasonable time to identify problems in achieving and maintaining a desegregated school system and to develop plans to effectively meet such problems prior to applying for Federal assistance,
- emphasize to school districts that grant funds are to be used only for program purposes and that changes in approved project activities are not to be made without prior written approval of HEW, and
- provide for an effective monitoring system to help ensure that (1) grant funds made available to school districts are being used for the purposes specified in their applications and (2) the school districts are complying with HEW regulations and program requirements.

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ABBREVIATIONS

ESAP	Emergency School Assistance Program
GAO	General Accounting Office
HEW	Department of Health, Education, and Welfare

*COMPTROLLER GENERAL'S REPORT
TO THE SELECT COMMITTEE ON
EQUAL EDUCATIONAL OPPORTUNITY
UNITED STATES SENATE*

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This report concerns the activities of 28 school districts in implementing the program. An earlier report to the Committee (B-164031(1), March 5, 1971) concerned the need for HEW to improve its policies and procedures for approving grants under the program.

The Office of Education and HEW have not been given the opportunity to formally examine or comment on this report. Most of the matters were discussed with school district and agency officials who generally indicated that corrective action would be taken.

FINDINGS AND CONCLUSIONS

In many cases school districts were not complying with the HEW regulations and the assurances given in their applications. Although some of these cases did not affect the conduct of the school districts' program activities adversely, GAO's review indicates a need for HEW to strengthen its monitoring of projects under the program.

Of the 28 school districts, 24 appeared to be eligible for program assistance. One was ineligible because it was not in the final phase of desegregation at the beginning of the 1970-71 school year, contrary to the regulations. In the other three school districts, questions of compliance with the nondiscrimination requirements of title VI of the 1964 Civil Rights Act were unresolved. (See pp. 13, 40, 41, and 56.)

Generally the districts' activities were directed toward meeting special needs associated with achieving and maintaining a desegregated school

system. Some activities, however, appeared to be directed more toward aiding education in general than toward solving problems arising from desegregation.

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In some school districts, project activities may not be implemented or will be only partially implemented during the grant periods, which will leave unresolved the problems of desegregation. In addition, a number of activities were not being carried out in accordance with the provisions of the applications or with certain program requirements.

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- using program funds to hire employees or to acquire equipment for which there was no apparent need in the ESAP project,
- hiring employees for the program at salary rates which exceeded the limitations set by the conditions of the grants without prior written approval of HEW, and
- assigning only minority group students to an education center for which both minority and nonminority group students had been recommended.

Other examples of poor program implementation are summarized in chapter 7.

In its application a school district must give formal assurances that it will comply with certain conditions and will meet HEW regulations. Most of the districts had not fully complied with at least one of the assurances or with certain regulations.

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Reasons for weaknesses

The weaknesses in project implementation were attributable, to a high degree, to the emergency nature of the program and to its need for expeditious planning, funding, and implementation. The lack of an effective

HEW regional office monitoring system also contributed to the weaknesses in project implementation.

RECOMMENDATIONS OR SUGGESTIONS

To help ensure that grant funds are used for the intended purposes, the Secretary of HEW should follow up on the matters discussed in this report and should take corrective action. He should also use the HEW Audit Agency, when appropriate.

Further, to help minimize the occurrence of similar problems in the event that additional Federal funding is authorized to help school districts defray the costs of meeting problems arising from desegregation, the Secretary should

- allow school districts a reasonable time to identify problems in achieving and maintaining a desegregated school system and to develop plans to effectively meet such problems prior to applying for Federal assistance,
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- provide for an effective monitoring system to help ensure that (1) grant funds made available to school districts are being used for the purposes specified in their applications and (2) the school districts are complying with HEW regulations and program requirements.

CHAPTER 1

INTRODUCTION

The Emergency School Assistance Program provides grants to school districts to defray the costs of meeting special problems arising from the desegregation of elementary and secondary schools. In response to a request dated November 24, 1970 (see app. II), from the Chairman, Senate Select Committee on Equal Educational Opportunity, we reviewed, in two phases, the implementation of ESAP which is administered by the Department of Health, Education, and Welfare.

Our report on the first phase, submitted to the Chairman of the Committee on March 5, 1971 (B-164031(1)), dealt with the need for HEW to improve its policies and procedures for approving ESAP grants. In the first phase we selected, at the Committee's request, grants made to 50 school districts for a review of HEW's grant approval procedures. The review was made at the HEW headquarters in Washington, D.C., and at the HEW regional offices in Atlanta, Georgia; Dallas, Texas; Kansas City, Missouri; Philadelphia, Pennsylvania; and San Francisco, California. Our report did not contain comments on the procedures and expenditures of the school districts.

This report deals with the second phase of our review, which we made at 28 of the 50 school districts. The objective of the second phase was to find out whether the school districts were (1) accomplishing the program activities as described in their ESAP applications, (2) using their grant funds to defray the costs attributable to special problems arising from the desegregation of their schools, and (3) complying with the ESAP regulations and with the assurances concerning program activities stated in their applications.

We did not attempt to evaluate the effectiveness of the projects being conducted by the school districts because, in our opinion, they had not been in operation for a sufficient period of time to demonstrate their effectiveness in solving problems incident to desegregation.

Our review at the school districts was limited to 28 of the 50 grants so that our report would be available in time

for consideration by the Congress in its deliberations on proposed legislation authorizing an additional \$1.5 billion for fiscal years 1972 and 1973 to assist school districts in their desegregation efforts. We examined the records of the school districts and selected schools within the districts relating to their ESAP grants and discussed our findings with school district officials, school principals and teachers, members of the biracial and student ESAP advisory committees, and HEW officials.

The 28 grants totaled about \$9.2 million, or 14.6 percent of the approximately \$63.1 million reported by HEW as granted to 899 school districts as of June 30, 1971. A breakdown of the 28 grants by State and school district is shown in appendix I.

ESTABLISHMENT OF PROGRAM

To meet the emergency needs of school districts that were in the process of desegregating and of those that had to desegregate by the fall of 1970, the President, on May 25, 1970, requested that the Congress appropriate, under six existing legislative authorities, \$150 million to be made available immediately to school districts undergoing desegregation. In response the Congress, on August 18, 1970, appropriated \$75 million and thereby established ESAP.

Statutory authority to carry out ESAP is contained in the following acts.

1. The Education Professions Development Act, part D (20 U.S.C. 1119-1119a).
2. The Cooperative Research Act (20 U.S.C. 331-332b).
3. The Civil Rights Act of 1964, title IV (42 U.S.C. 2000c-2000c-9).
4. The Elementary and Secondary Education Act of 1965, section 807 (20 U.S.C. 887).
5. The Elementary and Secondary Education Amendments of 1967, section 402 (20 U.S.C. 1222).
6. The Economic Opportunity Act of 1964, title II (42 U.S.C. 2781-2837) (under authority delegated to the Secretary of HEW).

The regulations governing the administration of ESAP by HEW were published in the Federal Register on August 22, 1970. The Commissioner of Education, who was vested with responsibility for administering ESAP, delegated this responsibility to the Office of Education's Division of Equal Educational Opportunities. The Office of Education's representatives in each of the 10 HEW regional offices were given the responsibility for reviewing and approving grant applications received from the school districts.

Under ESAP a school district is eligible for financial assistance if (1) it is desegregating its schools under a

final State or Federal court order or under a voluntary plan approved by HEW as meeting the nondiscrimination requirements of title VI of the Civil Rights Act of 1964 and (2) it commenced the terminal phase of such plan or court order by the opening of the 1970-71 school year or had commenced such terminal phase during the 1968-69 or 1969-70 school year. The regulations define "terminal phase" as that phase of a desegregation plan during which the school district begins operating a unitary school system--one within which no person is effectively excluded from school because of race or color.

Applications for assistance under ESAP are submitted to HEW's regional offices for evaluation and approval or disapproval. According to HEW officials applications were to be reviewed by regional Office of Education employees for adequacy of program content and for adherence to the ESAP regulations. Also employees of HEW's Office for Civil Rights located in either the regional or the Washington office were to review the applications for compliance with civil rights matters. Review for compliance with the legal aspects of the regulations was to be made by employees of HEW's Office of General Counsel.

AUTHORIZED ACTIVITIES UNDER PROGRAM

The ESAP regulations provide that financial assistance be made available to eligible school districts only to meet special needs resulting from the elimination of racial segregation and discrimination among students and faculty in elementary and secondary schools and that such assistance contribute to the costs of new or expanded activities designed to achieve successful desegregation and to eliminate discrimination. The regulations require that projects assisted under ESAP be designed to contribute to achieving and maintaining desegregated school systems and emphasize the carrying out of such activities as

- special community programs to assist school districts in implementing desegregation plans;
- special pupil personnel services (guidance, counseling, and remedial services) to assist in maintaining quality education during the desegregation process;

- special curriculum revision and special teacher preparation programs to meet the needs of desegregated student bodies;
- special student-to-student programs to assist students in opening up channels of communication on problems resulting from desegregation; and
- special comprehensive planning and logistic support to assist in implementing desegregation plans.

PROJECT APPLICATION REQUIREMENTS

A school district is required to give formal assurances that

- it will use the ESAP funds only to supplement, not to supplant, funds which are available to it from non-Federal sources for purposes which meet the requirements of the program;
- it will make a reasonable effort to utilize other Federal funds available, rather than ESAP funds, to meet the needs of the children;
- it has not engaged and will not engage in the transfer of property or services to any nonpublic school or school system which, at the time of such transfer, practices racial discrimination;
- it will not discriminate in the hiring, assigning, promoting, paying, demoting, or dismissing of teachers and other professional staff who work directly with children or who work on the administrative level on the basis of their being members of minority groups;
- it will take effective action to assign teachers and other staff who work directly with children so that the ratio of minority to nonminority group teachers and staff in each school is substantially the same as the ratio in the entire school district;
- it will not employ any discriminatory practices or procedures, including testing, in the assignment of children to classes or in carrying out other school activities; and
- it will have published in a local newspaper of general circulation the terms and provisions of the grant within 30 days of its approval.

COMMUNITY AND STUDENT
PARTICIPATION IN PROGRAM

The regulations provide for the interests of the community to be considered by the school districts in the formulation and administration of their ESAP projects by requiring that biracial and student advisory committees participate in ESAP.

Each school district receiving an ESAP grant is required to establish a biracial advisory committee if no biracial committee has been formed by the district pursuant to a Federal or State court desegregation order. The school district is to select at least five, but not more than 15, organizations which, in the aggregate, are broadly representative of the minority and nonminority groups in the communities to be served. The names of the organizations selected are to be submitted with the district's application for a grant. Each organization may appoint one member to an advisory committee, and the school district then is to appoint such additional members from the community as may be needed to establish a committee composed of an equal number of minority and nonminority group members, at least one half of whom are to be parents whose children will be directly affected by the district's ESAP project. The biracial advisory committee is to be established within 30 days after approval of the district's application.

The school district is to make public the names of members appointed to the biracial advisory committee. It also is to consult with the committee on policy matters arising in the administration and operation of the ESAP project and to give the committee a reasonable opportunity to observe and comment on all project-related activities.

In addition to submitting other assurances required by the regulations, a school district must submit with its application an assurance that, promptly following the opening of the 1970-71 school year, a student advisory committee will be formed in each secondary school affected by the project which has a student body composed of minority and nonminority group children. The number of minority and nonminority group students serving on each such committee is to be equal, and the members are to be selected by the

student body. The school district is to consult with the student advisory committee on carrying out the project and on establishing standards, regulations, and requirements regarding student activities and affairs.

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The results of our work at the 28 school districts are discussed in the following chapters.

CHAPTER 2

SCHOOL DISTRICTS' IMPLEMENTATION OF ESAP PROJECTS

APPROVED BY HEW DALLAS REGIONAL OFFICE

HEW Region VI, which has headquarters in Dallas, comprises the five States of Arkansas, Louisiana, Oklahoma, Texas, and New Mexico. According to Office of Education statistics, 2,385 school districts were operating public schools in these States in the fall of 1970. As of June 30, 1971, 244 of these districts had received ESAP grants totaling \$16.9 million. We reviewed grants totaling about \$3.5 million to seven of these districts.

Six of the seven school districts appeared to be eligible to receive ESAP assistance. The eligibility status of the seventh district appeared questionable in that certain requirements of its court-ordered desegregation plan--namely, the elimination of dual school-bus routes and the transporting of students on a nonsegregated and otherwise nondiscriminatory basis--had not been met.

In our opinion the projects approved by the region for all seven school districts generally were designed for, and directed toward, meeting special needs incident to achieving and maintaining desegregated school systems.

In five of the seven school districts, some project activities (1) were not implemented in accordance with the descriptions in the districts' approved applications, (2) were delayed in their implementation, or (3) did not adhere to certain program requirements. Additionally, it appears that the implementation of some project activities was delayed to the extent that little, if any, benefit in meeting desegregation needs was realized during the 1970-71 school year.

Most of the districts did not fully comply with one or more of the assurances given in their applications or with certain requirements of the ESAP regulations.

ELIGIBILITY OF SCHOOL DISTRICTS

Of the seven school districts, only one appeared to not have met the eligibility requirements for ESAP because it was operating dual school-bus routes on a segregated basis and therefore was not in compliance with the nondiscrimination requirements of title VI of the Civil Rights Act of 1964.

Region VI approved an ESAP grant in the amount of \$42,000 for the Jackson Parish School Board (Jonesboro, Louisiana) on October 2, 1970, to assist with special curriculum revision and teacher preparation activities. The school board's eligibility was based on the implementation of a desegregation plan ordered by a Federal district court in August 1970, which required complete desegregation of the parish school system starting with the 1970-71 school year. Among other matters the court order directed that dual school-bus routes be eliminated and that the routing of buses and the assignment of students to buses be made to ensure transportation of all eligible students on a nonsegregated and otherwise nondiscriminatory basis.

Our site examination in March 1971 showed that the Jackson Parish school system was operating its transportation system in a manner inconsistent with the district court order in that dual school-bus routes still existed and in that 39 of the 44 buses in operation were transporting only white or only black students. The school board's records showed that the Department of Justice had apprised the board of alleged noncompliance with the busing requirements in a letter dated September 17, 1970--2 weeks before HEW approved the ESAP grant. The records showed also that, by letter dated November 20, 1970, the Department of Justice had notified the school board that it was not in compliance with the directives of the district court concerning transportation of students. Although the regional Office for Civil Rights made a postgrant compliance review on December 3, 1970, the resulting report did not identify any discriminatory practices or other problems in the school system.

The superintendent of the school system told us that a representative from the Department of Justice had visited

the parish early in March 1971 and that an agreement had been reached on a busing plan which was acceptable to the court. He said that, as a result of this action, a court appearance ordered for mid-March had been averted and that a new court order implementing the acceptable busing plan would be issued. At the end of our site review on April 1, 1971, the new court order had not been received and no changes had been made in the operation of the busing system.

Regional Office for Civil Rights officials told us that they were not aware of the grantee's noncompliance status prior to our bringing this matter to their attention. They informed us that the Department of Justice was responsible for investigating complaints against school districts which had been ordered to desegregate by court orders.

IMPLEMENTATION OF PROJECTS

In a number of instances project activities were inadequately planned and managed by the school districts and were conducted without a complete understanding on the part of administering school officials as to the specific intent of approved activities and, in certain instances, without sufficient knowledge of ESAP requirements.

This situation resulted in (1) implementation of activities in a manner inconsistent with that described in the districts' approved applications and without adequately meeting desegregation needs, (2) unwarranted delays in the implementation of some activities, and (3) noncompliance with certain ESAP requirements. It appears that substantial amounts of grant funds were used for purposes that could result in aiding general educational needs rather than in dealing with problems incident to the elimination of segregation and discrimination in the school systems. It appears also that little, if any, benefits were realized from certain project activities during the 1970-71 school year because of their delayed implementation.

We believe that the weaknesses in project implementation were attributable, to a large degree, to the emergency nature of ESAP and to the need for its expeditious planning, funding, and implementation. We believe also that the lack of an effective regional Office of Education monitoring system contributed to the weaknesses in project implementation.

The regional senior program officer told us that inadequate staffing levels, coupled with the time constraints of the program, had precluded the intensive surveillance required to identify and correct problems. He agreed that more effective monitoring of ESAP projects was needed and indicated that follow-up efforts with respect to our findings would be undertaken by the responsible program officers.

Funds not expended or resources not used in accordance with approved programs

At three school districts either funds were expended for purposes other than the approved program activities or

resources provided under approved activities were not used in the manner indicated in their applications. Region VI officials were generally unaware of the manner in which these program activities were being conducted, although program assessment reviews had been made at three districts subsequent to grant award. In our opinion the implementation of these programs by the school districts has resulted in directing assistance to areas of general educational need rather than to those stemming from the desegregation process.

West Orange Cove Consolidated
Independent School District
Orange, Texas

The approved ESAP project for this district included funds for the construction of two portable classroom buildings. According to the district's application, this additional classroom space was needed to implement a program for more individualized instruction by grouping students into smaller class sizes on the basis of their abilities to learn. The district, however, constructed one semipermanent building, costing \$20,477, which was being used primarily for group-type activities and, to a limited extent, for conducting some of its larger art and science classes. Such activities appeared to not bear any relationship to the district's desegregation problems. Plans to group students in reduced class sizes on the basis of their abilities to learn were accomplished without benefit of the added classroom space.

School district officials told us that changes in their program had been necessary because the construction of the proposed buildings had been held up due to a Region VI delay in providing written approval for the reallocation of funds within the approved project budget to meet increased construction costs.

We were told that, although verbal approval was given by the region for the reallocation on December 2, 1970, written confirmation, which was required by the district school board before funds could be reserved for construction purposes, was not received until January 18, 1971. Due to this delay, school officials concluded that the realignment of classroom space at this point in the school year, to

permit use of the portable classrooms as intended, would prove too disruptive to the students. Thus the decision was made, without the region's approval, to construct one semipermanent building to be used for group-type activities which, in the opinion of school officials, would more nearly meet school needs at that time.

The regional program officer was unaware of these changes to the district's program, although a program assessment review was made on January 11, 1971. He said that his assessment visit had shown no evidence of deviation from the approved program. He agreed, however, with our position that the classroom space provided by ESAP was being used for general educational purposes and would have little, if any, impact on desegregation problems identified by the school district. He assured us that the matter would receive immediate attention by the regional staff.

Orleans Parish School Board
New Orleans, Louisiana

ESAP funds amounting to over \$300,000 were approved in this district's application to allow the school system to retain teacher positions and thereby to reduce student-teacher ratios in certain schools. Because of an unanticipated decline in student enrollment for the 1970-71 school year, the number of teachers employed for the school year was significantly above the staffing level for which State financial support was to be provided. The ESAP grant provided for retention of 40 of the excess positions, which would allow a reduction of student-teacher ratios at some of the schools having the most critical desegregation problems.

The manner in which 27 of the 40 ESAP-funded teacher positions were designated at 17 individual schools, however, did not actually result in increasing the number of teacher positions which normally would have been authorized at those schools exclusive of the ESAP assistance. Instead, the designation of these teacher positions resulted in only a change in the source of funds from which the teachers' salaries were being paid (i.e., from the school board's general operating fund to the ESAP fund) and did not reduce the student-teacher ratio at these schools, contrary to the stated intent of the approved project.

Region VI officials told us that they planned to request the school board to submit information justifying the assignment of these teacher positions to individual schools. They assured us that the school board would be required to use the positions to reduce the student-teacher ratios at its schools having the most critical desegregation problems as provided by the approved project.

ESAP funds amounting to \$1,340 were used to procure office furniture and equipment for one of the school system's district superintendents, although funds for that purpose were not included in the approved ESAP budget. Both Region VI and school board officials agreed that this expenditure was not within the intent of the approved program. The regional program officer assured us that the school board would be required to charge these expenditures to its general operating fund.

San Antonio Independent School District
San Antonio, Texas

At the time of grant award to the district, Region VI had disapproved \$7,000 for small musical instrument purchases requested by the district in its ESAP application. We noted, however, that the school district was in the process of procuring musical instruments of the type specifically disapproved. Our review of accounting records and other supporting documentation showed that this was being accomplished by classifying the instruments as supply-type items and by charging the cost against an instructional supplies category approved for an ESAP curriculum revision program.

The district's ESAP director told us that, although he was aware that funds for this purpose had been disapproved, the district's policy of classifying as supplies any items having an acquisition cost of less than \$25 had permitted him to make the purchases. He said that, since the approved ESAP program did not identify the types of items that could be purchased with ESAP funds, the district had considerable latitude in the use of the funds.

Because of the time required to identify individual transactions within the district's accounting records, we

did not determine the total amount expended for small musical instruments. Our limited analysis, however, showed that at least \$1,200 had been used for this purpose.

San Antonio received supplemental funds in February 1971, which included \$35,000 to provide hot water for art classes being conducted under the district's approved ESAP after-school program. The district's ESAP director told us that these funds provided for hot water to be piped from the cafeterias of each of 68 elementary schools to the particular classrooms where art classes were being conducted. At the time of our review, however, the district was in the process of purchasing individual hot-water heaters for installation in the nursing stations at each of the elementary schools. Additionally, 40 of the schools were to receive lavatories in conjunction with installation of hot-water heaters.

According to the school officials responsible for this activity, this change in program direction was made on the premise that the availability of hot water at nursing stations would improve the quality of health services provided to students. Region VI approval for this change was not requested by the district.

The regional program officer having direct responsibility for the San Antonio program was not available for comment at the end of our review; thus, we were unable to establish with certainty that he was unaware of the foregoing deviations in program implementation. On the basis of our discussion with the senior program officer and our review of the district project file, however, it appears that regional officials were not aware of the manner in which the program was being conducted.

Questionable use of ESAP funds for employees and equipment

At two of the seven districts, ESAP funds were used to hire employees or to acquire equipment although there was no apparent need for them in the ESAP projects. These uses of the funds were authorized under the districts' approved projects; however, resources other than ESAP were generally available for these purposes. We believe that, through better planning by the districts, in conjunction with more effective technical guidance by Region VI, the ESAP funds could have been directed to meeting more critical desegregation needs of the districts.

San Antonio Independent School District

This district's approved ESAP project included about \$227,000 to pay the salaries of teachers and teacher-aides employed on an after-school basis to teach in the district's after-school program. This activity was being conducted at 68 of the district's elementary schools.

At the time the ESAP grant was made, teachers and teacher-aides at 46 of the 68 schools were already being provided with funds from another Federal source--title I of the Elementary and Secondary Education Act. Although title I funds were available for this purpose at the 46 schools, the school district requested, and obtained Region VI approval for, ESAP funds to hire teachers and teacher-aides for all 68 elementary schools. At the time of our site visit in March 1971, ESAP funds of about \$136,000 were being used for the period October 1970 through June 1971 to fill 92 teacher positions and 184 teacher-aide positions at the 46 schools receiving title I assistance.

The district's director of Federal programs told us that the district's interpretation of the title I program regulations was that assistance under the program could not be extended to a school if other schools within the district were being provided with comparable assistance from any other fund source. Therefore, in the opinion of the district, it was necessary that ESAP assistance be extended to all 68 elementary schools to ensure that title I

assistance in the 46 schools would be in addition to that provided by ESAP. This action had the effect of at least doubling the after-school program staff in the 46 title I schools.

Title I regulations provide that the restriction on the use of title I funds be applicable only when comparable assistance is being provided with State or local monies.

This activity was being implemented at the time of the region's assessment review on November 12, 1970. The regional program officer said, however, that the region was unaware that the condition existed. He expressed the belief that the district had misinterpreted the title I regulations and that the additional employees at the 46 schools having title I programs should not have been hired unless they were needed for ESAP.

Orleans Parish School Board

ESAP funds were being used by this district to rent or purchase apparently unneeded equipment. For example, the school board used ESAP funds to rent two identical copying machines (at a cost of about \$58 a month for each) to support the activities of 10 staff members employed under ESAP. All 10 employees were housed in the same space, and both machines were placed at this location. Region VI officials agreed that the need for two machines was questionable and said that corrective action would be taken. Subsequent regional correspondence with the school district indicated that one of the machines was to be returned to the vendor.

In another instance certain school board administrative districts were acquiring new office furniture (desks and chairs) for ESAP employees while other districts were using, without cost to the program, office furniture which was surplus to the school board's needs. Our tour of the school board warehouse revealed that substantial quantities of office furniture were in storage.

ESAP funds amounting to \$18,000 were approved for furniture purchases in the board's six administrative

districts. We believe that the districts could have used the apparently suitable surplus furniture and could have directed the ESAP funds to meeting more critical desegregation needs.

School board officials told us that they would investigate the possibility of more extensive use of surplus furniture. Regional officials told us that they did not have the authority to require the school board to use its surplus furniture but would recommend that it do so whenever possible.

Some project activities not implemented
or only partially implemented

We believe that the maximum benefits of some ESAP project activities were not realized during the 1970-71 school year because some activities were not implemented or were only partially implemented.

The ESAP project of Orleans Parish involved primarily the hiring of employees; about 69 percent of the \$1,953,400 grant was budgeted for the payment of employees' salaries and benefits. The project provides for a total of 161 full-time ESAP employees and, with certain exceptions, includes funds for the payment of salaries during the parish's school year. At the end of our review at the parish in March 1971, 138 of the employees had been hired, but a majority did not start work on the program until 2 to 3 months after the grant was made in October 1970. Although the grant period extends into October 1971, the late employment of these people, coupled with the nonoperational status of many of the ESAP activities during the summer vacation months, will preclude full use of these funds within the time available.

At the San Antonio Independent School District which received a grant of \$1,431,945, one project activity, involving \$47,700 for an Elementary Ethnic Studies Program, was not being implemented as proposed, due to difficulties in obtaining qualified employees. Another project activity, involving \$207,000 for a Remedial Language and Reading Program, was still in the planning stages at the time of our review, and it appeared doubtful that this activity would be implemented within the grant period.

School officials in both the Orleans Parish and San Antonio school districts attributed the problems encountered in implementing these activities to a lack of time to plan project implementation. They said that it would be necessary to extend the grant periods in order for them to use all the grant funds.

At the Luxora School District in Arkansas, ESAP funds of \$12,000, or 50 percent of the grant to this district, were used to purchase an electronic learning system which, at the time of our review, was not being used due to a lack of operational knowledge and to the need for additional supplies and equipment. It appears that successful implementation of the electronic learning system will be delayed at least until the beginning of the 1971-72 school year.

School officials and the program officer attributed the problems experienced in this case to a lack of time to plan project implementation.

Expenditures not in accordance with
grant conditions and program requirements

At three school districts, several expenditures were not in conformance with grant conditions and program requirements. For example, contrary to the ESAP general terms and conditions, salary limitations were exceeded without the required HEW approval; expenditures in small amounts were charged to ESAP accounts prior to the effective date of the grant; grant funds were used to finance other than approved ESAP activities; and, in some instances, ESAP accounts either were charged with incorrect amounts or were erroneously charged with expenses incurred by other programs. In addition, limitations on consultants' fees were exceeded by one school district.

The lack of adherence to grant conditions and program requirements apparently was because school officials either were not aware of the pertinent program requirements or did not employ adequate program controls.

At the Orleans Parish School Board, 18 school employees hired under the ESAP project were being paid at rates which exceeded the limitations on salaries imposed by the

general terms and conditions of the ESAP grant. The general terms and conditions require the grantee to obtain the approval of the regional Office of Education grants officer when rates of compensation paid to persons employed to carry out ESAP projects exceeds (1) \$15,000 a year or (2) their immediately preceding rate of compensation by more than 20 percent, if paid at an annual rate in excess of \$6,000.

Of the 18 employees, 17 received, without prior approval of the grants officer, increases in compensation ranging from 23 to 133 percent of their immediately preceding salaries; 11 received more than a 35-percent increase. The other employee was being paid more than \$15,000 a year without the required approval. School officials were not aware of the requirement to obtain the grants officer's approval of salaries in excess of the limitations until we brought this matter to their attention.

At the San Antonio Independent School District, the 20-percent salary limitation was exceeded for four ESAP-funded employees. School officials told us that they were aware of the salary limitations but that they did not request the grants officer's approval of the salaries because of an administrative oversight.

School officials at both Orleans Parish and San Antonio told us that they would request HEW approval of the salaries which exceeded the limitations. Region VI officials told us that they would evaluate the justifications for the salaries being paid and indicated that the ultimate disposition of this matter would be based on the circumstances.

At the Buffalo Independent School District in Texas, \$3,500 was transferred from the ESAP accounts and was used to finance the operation of two normally self-supporting school activities which were in arrears--the School Activity Fund and the School Lunch Operations Fund. These activities were unrelated to the approved project, and the transfer of the funds for this purpose was not approved by Region VI. A school official told us that, since ESAP funds were available and were not currently needed, he had borrowed these funds to avoid making a bank loan to cover

expenses of the two activities. He said that the ESAP funds would be reimbursed; however, this had not been done at the conclusion of our review. Regional officials told us that they would seek corrective action on this matter.

Other deficient aspects of project administration at the San Antonio school district, although limited in terms of dollar impact, indicated a lack of knowledge of certain program requirements and demonstrated the need for more adequate financial control over the use of ESAP funds. Our findings in this respect follow.

- Limited expenditures (\$247) for supplies and consultants' fees incurred prior to the effective date of the grant were charged to ESAP accounts.
- Seven regular classroom teachers employed to work in the district's ESAP-funded after-school program received pay (\$625) for hours that they did not work in the program.
- The salaries of 18 teachers employed for, and actually working in, another federally funded program were being charged to the ESAP grant. Conversely the salaries of 10 teachers employed on an after-school basis for an ESAP-funded activity were being paid from another federally funded program of the district.
- A consultant employed for ESAP-funded activities was paid at a daily rate of \$180 for 2 days. The district superintendent told us that, although he was aware of the general limitation of \$75 a day imposed by the Office of Education for such fees, he was not aware that the consultant had been hired at a rate of \$180 a day.

San Antonio school officials indicated that they were generally unaware of these matters until we brought them to their attention. They agreed to investigate the matters and to take appropriate corrective action.

Compliance with ESAP regulations and assurances

Most of the school districts did not fully comply with one or more of the assurances given in their ESAP applications or with certain ESAP regulation requirements pertaining to (1) formation and functioning of biracial and student advisory committees, (2) transfers of property to nonpublic schools practicing racial discrimination, and (3) publication of ESAP project terms and provisions.

Biracial advisory committees

Each of the seven school districts did not comply with one or more of the regulation requirements concerning the formation of biracial advisory committees. The extent of the noncompliance noted indicated that grantees were unaware of the ESAP requirements or that regional officials had not made adequate compliance follow-up reviews.

Although the regulations require--if no biracial advisory committee has been formed pursuant to a court order--a school district to establish a biracial committee within 30 days of approval of its application, the formation of such committees by four districts was delayed for periods ranging from 56 to 120 days. For example, the Orleans Parish School Board did not establish a biracial advisory committee for about 3 months.

At four school districts, the membership of the advisory committees was not in accordance with the regulations. The San Antonio Independent School District and the Orleans Parish School Board advisory committees were not composed of equal numbers of minority and nonminority group members. In addition, the Orleans advisory committee was not composed of at least 50 percent parents of children directly affected by the project. The Buffalo Independent School District and the Luxora School District did not meet the requirement for membership representation by at least five community organizations. None of the members of the Buffalo committee were appointed by community organizations but instead were elected at a group meeting of parents of members of the student body. The Luxora advisory committee had representatives from only two community organizations. Only one of these organizations, however, appointed its members to the committee. The remaining members were selected by the school district.

To create community interest in successful desegregation, the ESAP regulations require that school districts make public the names of the members of the biracial advisory committees. At the time of our review, four of the seven school districts had not publicized their committee memberships. One of the school districts took action to publish the required information in the local newspaper after we called the matter to its attention.

In two school districts, there was no committee involvement in the ESAP projects. For example, at Buffalo the biracial advisory committee had not met at the time of our site visit in April 1971 although the committee had been in existence for about 6 months.

Student advisory committees

At each of the six school districts which were required by the regulations to establish student advisory committees, the committees either were not formed initially, contrary to the requirements, or were not used as intended by the regulations.

Contrary to the regulations, members of the student advisory committees at four school districts reviewed were not selected by the respective student bodies. For example, the Jackson Parish School Board selected 12 of the 16 committee members by means other than popular election by student bodies affected by the ESAP project. Also a districtwide committee was formed, although the regulations clearly require that an individual committee be established at each affected secondary school.

At two of the districts, the student advisory committees were not composed of an equal number of minority and non-minority group children. For example, of the 26 individual student advisory committees formed at schools within the San Antonio Independent School District, 13 were not composed of an equal number of minority and nonminority group students, 12 were composed of predominantly minority group students, and one was composed of predominantly nonminority group students.

In at least three of the six districts, there was little, if any, committee involvement in the implementation of the

ESAP project. This lack of committee involvement appears to have been due mainly to the committees at these districts not being formed promptly following project approval. For example, at the Luxora Independent School District, the formation of the student advisory committee was not considered by the district superintendent until mid-January 1971 although the district had received its grant in mid-October 1970. At the time of our site visit in early February 1971, the committee had not met and had not been consulted about the ESAP project.

Transfer of property to nonpublic schools

Under Louisiana statutes school districts act as agents for the State in the distribution of State-owned textbooks and supplies to private and parochial schools and also may provide transportation for students attending these nonpublic schools. As discussed in our prior report on ESAP, the Office for Civil Rights initially placed in a hold status ESAP applications received from Louisiana school districts. It was decided that, if pregrant investigations, along with other information available, showed no potential civil rights violations other than the transfers made in accordance with Louisiana law, the Office for Civil Rights would certify that the Louisiana school districts in the hold status were in compliance with the nondiscrimination requirements of the regulations and would declare them eligible for ESAP funding.

Our review included two school districts in Louisiana. The Orleans Parish School Board was distributing, in accordance with State law, State-owned textbooks and school supplies to private and parochial schools and was providing some transportation for children attending the nonpublic schools. In addition, teachers' desks and chairs owned by the board were loaned to parochial schools. The Jackson Parish School Board also was providing State-owned textbooks to two private schools in the parish.

Although the scope of our review did not include work at the private or parochial schools to determine whether there was evidence of racial discrimination, our discussions with school district officials and our examination of available district records indicated that some private schools had

enrolled only nonminority group students. We were told that both of the private schools in Jackson Parish had enrolled only nonminority group students. Statistics published by the Orleans Parish School Board showed that, during the 1969-70 school year, there were 68 parochial schools having 36,951 students and 44 private schools having 7,961 students. Of the 44,912 private and parochial students, 9,948 were minority group students--9,224 at the parochial schools and 724 at the private schools.

Regional Office for Civil Rights officials said that the situation in these districts offered a potential area for violation of the ESAP regulations which require an applicant school district to give a formal assurance that it has not and will not engage in the transfer of property or services to nonpublic school which, at the time of such transfer, practices racial discrimination. They believed that an effective review procedure in this regard would require an in-depth analysis beyond the regional Office for Civil Rights present staffing capability.

Publication of project terms
and provisions

The seven school districts published articles in their local newspapers covering the terms and provisions of their ESAP projects. The publications by three of the districts, however, were not made within 30 days of project approval, contrary to the regulations. The elapsed time from project approval to publication ranged from 62 to 87 days.

CHAPTER 3

SCHOOL DISTRICTS' IMPLEMENTATION OF ESAP PROJECTS

APPROVED BY HEW PHILADELPHIA REGIONAL OFFICE

HEW Region III, which has headquarters in Philadelphia, comprises the five States of Delaware, Maryland, Pennsylvania, Virginia, and West Virginia and the District of Columbia. According to Office of Education statistics, 826 school districts were operating public schools in this region in the fall of 1970. As of June 30, 1971, 71 of the districts had received ESAP grants totaling about \$5.7 million. We reviewed grants totaling \$850,000 to five of these districts.

The five districts appeared to be eligible for ESAP, and generally the project activities approved by Region III for the districts appeared to be related to solving problems incident to desegregation.

Two of the five districts did not comply with the general terms and conditions imposed by HEW for ESAP grants, and none fully complied with one or more of the assurances given in their applications or with certain regulation requirements. Also in one district a project activity was not meeting its intended purpose.

IMPLEMENTATION OF PROJECTS

Expenditures not in accordance with grant terms and conditions

The ESAP general terms and conditions require that project activities be carried out by grantees as approved by HEW and that no substantive changes in the activities be made without obtaining prior approval in writing from the HEW grants officer.

In several instances grantees implemented, without prior written approval of the Region III grants officer, project activities in a manner inconsistent with the provisions of the approved projects.

Harrisburg City School District
Harrisburg, Pennsylvania

The district's ESAP grant included \$36,150 to establish an education development center to find better ways to involve students and staff members in the development of relevant teaching and learning strategies and program materials. According to the project application, the center was to provide the opportunity to involve students in trying out a variety of individualized and specialized techniques and materials which encourage self-motivation in attainment of learning objectives.

A significant aspect of the project was to be the involvement, throughout the year, of approximately 120 students identified by classroom teachers and other staff members as demonstrating a lack of effort and a disregard for other persons. A school district official told us that the center also was established to determine the type of learning experiences under which disruptive students function best and to make this information available to their teachers.

We noted that only minority group students had been assigned to the center, although both minority and nonminority group students had been recommended by their teachers for the project. In addition, these minority group students, although physically located in the same school building, were isolated from other members of the school for virtually all classes, contrary to the regulations.

On March 12, 1971, we discussed the operation of the center with Region III officials who told us that the operation as described by us did not agree with the approved project. Consequently, HEW officials visited the project on March 24 to 26, 1971, to observe and discuss its operations with district officials.

On March 29, 1971, a district official advised us that the center would be closed on April 5, 1971, until further notice, to provide time to restructure the operation of the center. He subsequently told us that the center was reopened on April 21, 1971. A Region III official told us on June 7, 1971, that both minority and nonminority group students were participating in the project and that students

had been assigned to the center on a rotating basis and spent a major portion of their school time in regular classes.

The district's project also included an authorization of \$6,500 for the purchase of equipment to be used in the center. At the time of our review in March 1971, the district had purchased equipment costing about \$3,900. We reviewed the acquisition and use of this equipment and found that:

- Equipment purchased at a cost of about \$1,700 had not been included in the list of equipment approved for the project.
- None of the equipment could be readily identified as ESAP equipment because the district's methods for marking and controlling equipment were not adequate.
- Equipment costing about \$2,600 was being used for purposes other than ESAP or was not being used although it had been received several weeks prior to our visit.

We discussed the district's control over and use of equipment with Region III officials who told us that they were unaware of any deviations from the provisions of the approved project. Regional officials then visited the district to review the situation.

On March 26, 1971, a regional official told us that the district had been instructed:

1. To prepare written justification for all equipment purchased which was not on the approved list of equipment for the project and to submit it to HEW for approval.
2. To establish procedures for marking and controlling ESAP equipment and materials.

He told us also that Region III would take any action needed after it had an opportunity to evaluate the need for the equipment purchased to date. At the completion of our

fieldwork in April 1971, the district had not responded to Region III.

Prince Georges County Schools, Maryland

Under the district's approved ESAP project, a program specialist was hired on March 1, 1971, for 7 months at a monthly salary of \$1,350, which exceeded the maximum monthly salary rate of \$1,250 (\$15,000 annually) permitted by the general terms and conditions of the ESAP grant, without obtaining prior written approval of the HEW grants officer.

A letter requesting permission to pay the higher salary was sent to the grants officer on February 26, 1971. A district official told us on April 15, 1971, that the request to pay a higher salary had not been approved by the grants officer pending receipt of additional information to justify the salary. The official said, however, that the district would submit another request for approval with further explanation and that, if this request was disapproved, district funds would be used to pay the difference between the amount allowable under the grant and the salary paid to the program specialist.

Project activity not meeting intended purpose

The ESAP application from Prince Georges County Schools stated that there was an urgent need to extend counseling services, through evening walk-in counseling centers, to students experiencing problems because of their enrollment in desegregated schools. Psychologists, counselors, and pupil personnel workers were made available at 14 such counseling centers established at various secondary schools throughout the county. The estimated cost of this activity was \$22,000.

The counseling service was to be provided for a 3-hour period one evening a week at each center. The district opened the 14 centers during the first week of February 1971. According to a school district publication, the centers were open in the evenings so that parents and students could use the centers without the parents' taking time from work or the students' missing classes.

The professional employees working at nine walk-in centers which we visited expressed the belief that the need for the centers was more closely related to normal school activities than to problems arising from school desegregation. They said that only 24 of 270 contacts with students and parents had been concerned with problems resulting from desegregation. At one of the centers which we visited and which had been open for 5 weeks, the staff members told us that contacts had not been made.

A school district official told us that the centers were a needed community asset because they provided the opportunity for parents to come in at night and to discuss any school problems that their children might have. She also expressed the belief that the services of the center should not be limited to problems related to desegregation.

A Region III official told us that he was aware of this situation and had suggested that the district intensify publicity regarding the availability and locations of the centers, to increase their use by students having problems arising from desegregation. He said that he planned to monitor the centers to determine the future need for them.

Compliance with ESAP regulations and assurances

At the time of our visits, none of the districts had fully complied with one or more of the assurances given in their applications or with certain regulation requirements pertaining to (1) proper assignment of faculty and staff, (2) formation and use of biracial and student advisory committees, and (3) publication of ESAP project terms and provisions.

Assignment of teachers and other staff

Prince Georges County did not accomplish its teacher and staff assignments in accordance with the assurance given in its ESAP application. This assurance, required by ESAP regulations, is that the school district will take effective action to ensure that the assignment of teachers and other staff members who work directly with children will be made so that the ratio of minority to nonminority group teachers and other staff in each school is substantially the same as the ratio for the entire school district. The Office for Civil Rights policy is to give school districts until the beginning of the 1971-72 school year to comply with this requirement.

In September 1970, 182 of the 227 schools in the district did not meet the required ratios. For example, the faculty at one school was 85-percent minority group and at 30 schools was 100-percent nonminority group. The percentage of minority group faculty for the entire school district was 18 percent for elementary schools and 14 percent for secondary schools.

The district was attempting to improve the ratio by encouraging faculty to transfer but did not expect to achieve a ratio acceptable to HEW until 1972.

By letter dated June 23, 1971, the Office for Civil Rights notified the Prince Georges County superintendent of schools that the date for reaching the required ratio would not be acceptable and that a new desegregation plan must be developed for implementation in September 1971. On August 20, 1971, the Office for Civil Rights notified the

superintendent that, since the Prince Georges County School Board, at its meetings of July 13 and 29, 1971, had declined to take any action which would bring the district into compliance with the requirements of title VI of the Civil Rights Act of 1964, administrative enforcement proceedings had been initiated against the district.

Biracial advisory committees

Three of the five districts did not form their biracial advisory committees in accordance with the ESAP regulations. Prince Georges County's committee took about 5 months to be formed although a 30-day time limit was specified in the regulations. Also the members were appointed by the school district without consulting local community organizations, and the committee members said that they merely were being informed of ESAP activities rather than being used as advisors. After completion of our fieldwork, Region III officials told us that the committee had been reorganized to meet the requirements.

At Dinwiddie County in Virginia, the committee had not met at the time we visited the district in February 1971, although the committee was formed in December 1970. After we brought this matter to the attention of school district officials, a meeting was held to inform the members of the ESAP project activities being implemented and to obtain their views on them.

None of the members of the Harrisburg committee were selected from community organizations nor was the committee composed of an equal number of minority and nonminority group members, contrary to the requirements. We brought this matter to the attention of school district officials who told us that they would take the necessary steps to comply with the regulations. On May 24, 1971, a Region III official told us that, on the basis of a compliance review made at the district, the committee met the regulation requirements.

Student advisory committees

Three of the five school districts were not in compliance with the ESAP regulation pertaining to student advisory committees.

Of the 17 schools in Prince Georges County required to establish student advisory committees, 12 did not meet the requirements in that (1) the members had not been selected by the student bodies, (2) the memberships were not composed of equal numbers of minority and nonminority group children, or (3) the committees had not been consulted with respect to carrying out the ESAP projects. Two other schools had not, as of March 10, 1971, formed committees. According to records of the Washington Office for Civil Rights, the schools later took action to comply with the requirements.

Although the committee in Dinwiddie County had been formed properly, it had not held any meetings or been consulted on the district's ESAP project at the time of our review. When questioned on this matter, school district officials told us that meetings would be held to involve the committee in the ESAP project. After completion of our fieldwork, a district official advised us that a meeting was held on March 19, 1971.

At Dorchester County in Maryland, the committee members at one of the schools were selected by teachers and counselors rather than elected by the student body. District officials told us that the situation had been rectified by a May 1971 student election of committee members for the 1971-72 school year.

Publication of project terms and provisions

The five school districts published articles in their local newspapers covering the terms and provisions of their ESAP projects. The elapsed time from the dates of project approval to the dates of publication by four of the districts, however, ranged from 2 to 8 months. The regulations require that the terms and provisions of the project be published within 30 days of project approval.

CHAPTER 4

SCHOOL DISTRICTS' IMPLEMENTATION OF ESAP PROJECTS

APPROVED BY HEW ATLANTA REGIONAL OFFICE

HEW Region IV, with headquarters in Atlanta, Georgia, comprises the eight States of Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee. According to Office of Education statistics, 1,114 school districts were operating public schools in these States in the fall of 1970. As of June 30, 1971, 573 of these districts had received ESAP grants totaling \$40 million. We reviewed grants totaling about \$4.6 million to 13 of these districts.

The eligibility of two of the districts was in question because discrimination complaints had been filed against them that, at the time of our review, had not been fully resolved.

Although many of the ESAP activities appeared to be related to solving problems incident to desegregation, some appeared to be directed more toward aiding education in general than toward achieving successful desegregation.

Approved project activities at some of the districts may not be implemented or will be only partially implemented during their grant periods, which will leave unresolved the problems faced by the schools. Although most of the school districts appeared to be complying with the general terms and conditions established by HEW on the use of ESAP funds, two districts were not.

At the time of our visits, none of the 13 districts had fully complied with one or more of the assurances given in their ESAP applications or with certain requirements of the ESAP regulations.

--One district had not, in our opinion, made sufficient effort to comply with the requirement that the ratio of minority group to nonminority group teachers and staff members who work directly with children in each school be substantially the same as the ratio in the entire school system.

- One district had leased property to a private school established for nonminority students only.
- Two districts used ESAP funds to supplant funds normally available to them from non-Federal sources.
- None of the 13 districts had complied with all the requirements governing the formation and use of bi-racial and student advisory committees.
- Four districts had not made information on their approved ESAP projects available to the public although required.

We believe that the weaknesses we observed were due, to a large degree, to HEW's policy of emphasizing the emergency nature of the program, which encouraged school districts to hasten preparation of their grant applications and provided an extremely short period for the HEW regional offices to review and evaluate the districts' applications. As a result, applications were approved that, in our opinion, did not adequately describe the problems faced by the districts in achieving successful desegregation and did not contain adequate descriptions of activities designed for meeting these problems.

In addition, ceilings established by HEW on the amount of ESAP funds to be awarded to each district required districts to tailor project activities to the predetermined funding levels rather than to their needs. This resulted in some districts having to postpone, cut back, or eliminate some activities proposed to achieve successful desegregation.

ELIGIBILITY OF SCHOOL DISTRICTS

In our prior report on ESAP, we discussed discrimination complaints that had been filed against three of the 13 school districts included in this review. We followed up on the complaints to determine what action had been taken to resolve them.

Dillon County School District No. 2
Dillon, South Carolina

HEW/Washington received an unsigned inquiry concerning the down grading of black principals in this district. The letter was forwarded to HEW Region IV, and Office for Civil Rights personnel visited the district in September 1970. As a result of the visit, HEW wrote to the school district superintendent in December 1970 and reminded him that the district had not submitted to HEW the job descriptions for newly created positions of coprincipals and that black coprincipals appeared to be subordinate to white coprincipals in the district. The district was requested to submit the job descriptions of the coprincipals so that a determination could be made as to whether the district was in compliance with title VI of the Civil Rights Act of 1964.

The superintendent responded to the HEW letter on December 11, 1970, but did not include the job descriptions requested. The response stated that the black coprincipals were not subordinate to the white coprincipals and invited HEW representatives to visit the district and talk to the black coprincipals. No other action was taken by HEW. Therefore, in April 1971, we asked regional Office for Civil Rights officials why no action had been taken since the job descriptions were not furnished as requested. They said that the question was still unresolved and that the Office for Civil Rights planned to make a compliance review at the district at a later date.

Columbus County Schools
Whiteville, North Carolina

A complaint was made against the district involving the acceptance of students from a neighboring school district. An HEW official told us that white students were leaving certain schools in the neighboring county which was under a Federal court order to desegregate and attending schools in Columbus County which was operating under a voluntary desegregation plan. HEW advised the superintendent that this practice was not acceptable because it was contrary to the nondiscrimination requirements of title VI of the Civil Rights Act of 1964 and requested the superintendent to furnish written assurance that the practice would

be discontinued. The assurance was furnished to HEW by the superintendent.

We noted that the superintendent had written letters to parents of the students residing in the neighboring county and attending school in Columbus County informing them that, effective November 2, 1970, students were to be reassigned to schools in their resident county. The superintendent told us on March 31, 1971, that students of the neighboring county were not enrolled in Columbus County Schools. HEW has determined the district to be in compliance with title VI of the Civil Rights Act of 1964.

Talladega County Board of Education
Talladega, Alabama

Two complaints were received by the Department of Justice concerning the demotion of three principals and a teacher in Talladega County. A Department of Justice investigation of these complaints resulted in an issuance of a court order on January 8, 1971, requiring reinstatement of the individuals. The superintendent was directed by the court order to offer the three former principals positions as principals in elementary schools and to offer a former band director a position as band director.

As a result of the court order, the superintendent mailed letters to the three principals inquiring whether they desired to change the positions they then occupied. One did not and another accepted an offered principalship at a new school. Because he was not offered a specific principalship, the third principal requested the Department of Justice to take further legal action. The band director was not offered a new position because of an alleged qualification problem.

On February 18, 1971, the Department of Justice filed a show-cause motion requiring Talladega to present reasons why it had not offered a specific elementary school principalship to the third principal and a specific band directorship to the band director. The superintendent appeared in court on June 9, 1971, to present the school district's position. On June 10 the court ordered Talladega to offer the third principal a specific principalship but did not

require the district to offer the band director another position since he was not qualified.

Although the superintendent offered the third principal a specific principalship, the Department of Justice, by letter dated July 12, 1971, informed the district that it believed the position offered would result in a demotion. Therefore the district was told that it should offer the principal a position equivalent to that previously held.

RELATIONSHIP OF PROJECTS TO MEETING DESEGREGATION PROBLEMS

Although many of the ESAP activities appeared to be related to solving problems incident to desegregation, some appeared to be directed more toward aiding the education system in general than toward achieving successful desegregation.

In our prior report on ESAP, we discussed two activities in the ESAP application of the Board of Education, Memphis City Schools, in Memphis, Tennessee, which seemed to be unrelated to achieving successful desegregation and followed up on them at our review at the district.

One of these activities was to purchase daily newspapers and distribute them to 60 schools in the system. These newspapers, according to district officials, would be placed in schools in underprivileged areas where they would provide a needed form of communication, serve as a good instructional tool, and make students more aware of existing conditions and events. Some teachers used the newspapers to supplement teaching techniques using regular textbooks; others used the newspapers as a reference and data source in the classroom. The estimated cost of this activity was \$25,000.

The acting superintendent of schools at Memphis told us that he believed a greater social awareness would aid the desegregation process and that, until "hard" data was developed to prove otherwise, the newspaper program seemed to be an effective aid to desegregation. In our discussions of this activity with school principals and teachers, however, several of them said that the newspapers were an educational tool and had no relationship to desegregation problems.

The other activity involved the staffing and maintaining of a mobile zoo which was being used to provide children with a program of educational experiences with animals. School district officials told us that the zoo would provide a means where children could be brought together in a controlled educational environment and would provide a common

bond between children of different races. The estimated cost of this activity was about \$15,000.

The area specialist responsible for the mobile zoo activity said that the activity was not directed toward solving existing desegregation problems but rather toward avoiding problems that might arise in the future. The director of psychological services for the Memphis City Schools told us that any black-white activity in a school could be related in some way to desegregation and therefore considered fundable under ESAP.

We discussed with Region IV officials a number of examples of ESAP activities, such as those cited in Memphis City's project, which we believed were questionable in terms of meeting special needs incident to desegregation. The Regional Commissioner of Education said that any activity that brings blacks and whites together to learn would be fundable under ESAP. He said also that educational functions created or necessitated by desegregation that did not exist in separate black and white schools were considered acceptable under the program.

We recognize that a number of ESAP-funded activities could have some relationship to the desegregation process; but, as pointed out by the President in his message to the Congress on ESAP, funds were needed to deal with the most pressing problems of school districts that were in the process of desegregating. In carrying out this policy statement, HEW headquarters emphasized to its regional offices that the purpose of ESAP was to fund quality desegregation projects in school districts where the need was greatest.

IMPLEMENTATION OF PROJECTS

Some of the 13 school districts experienced delays in the implementation of planned project activities, some were not complying with the terms and conditions imposed by HEW on the use of ESAP funds, and none had fully complied with all the assurances given in their application or with all program requirements.

Some planned project activities
not implemented or
only partially implemented

Planned project activities of some of the 13 districts may not be implemented or will be only partially implemented at the end of their grant periods, which will leave unresolved the special needs of the schools incident to desegregation. We attribute part of the delay to the districts' not having clearly identified the problems faced in achieving and maintaining desegregated school systems or not adequately designing the activities to meet the problems. School district officials told us that HEW had encouraged them to rush preparations of their applications. As a result, some districts had to develop detailed plans after the grants were made.

The ceilings established by HEW on the amount of ESAP funds to be awarded to each district also contributed to delays in implementing activities. Some districts had identified problems and proposed activities in their applications only to have funding for these activities reduced or curtailed during the approval process and would thereby require the districts to reevaluate their proposed activities in the light of the funds granted. Delays arose because, in other instances, the districts were not taking positive action to implement their proposed activities.

Some school district officials indicated that they preferred to identify those areas where ESAP funds could be best used and to carefully assess the needs of the schools before committing the funds. Others said that implementation of their projects had been delayed due to difficulty in obtaining qualified personnel needed to carry out the activities. The HEW Regional Commissioner of Education said that our comments concerning the haste in preparing ESAP applications and the tailoring of the amount of the grants to established funding levels were valid.

Some examples of delays experienced in implementing activities follow.

Jackson Municipal Separate School District
Jackson, Mississippi

The ESAP application for this district was tailored to a predetermined funding level of \$1.3 million. Detailed plans for use of the grant funds were made after the grant was approved causing delay in the implementation of the activities. At the time of our fieldwork in January 1971, the district was still developing specific plans for use of the grant funds.

A major activity of Jackson's ESAP project was the purchase of an instructional television system for installation throughout the school system. The estimated cost of this activity was about \$500,000. A contract for the purchase and installation of the television system was awarded in December 1970; installation was to be completed in June 1971.

Jackson's approved application stated that the foremost problem facing the district was demonstrating that a quality education could be achieved in a desegregated school system. ESAP plans developed by Jackson were directed toward improving the quality of education and restoring community confidence in the schools. The application stated that an immediate program for educational redevelopment was essential. Despite the expressed need for restoring public confidence in the school system and an immediate program for educational redevelopment, the district will not realize any benefit from the television system until the beginning of the 1971-72 school year.

Board of Education, Memphis City Schools

Confusion over the amount of the ESAP grant to be awarded to Memphis, coupled with a question of Memphis' compliance with title VI of the Civil Rights Act of 1964, delayed award of its grant and will result in activities being only partially implemented within the grant period.

In August 1970 Memphis officials were advised by HEW that the amount of the district's ESAP grant would be based on its needs. These officials developed a preliminary ESAP application consisting of 14 activities with an estimated

total cost of \$1,115,098 and on September 3, 1970, met with HEW officials to discuss the application. The district was told that it had been allotted \$2,083,564 and revised its application to include 24 activities estimated to cost that amount. This application was sent to HEW's Region IV in late September and reviewed by three program officers, each of whom recommended funding at \$992,531. A delay of over 1 month was then experienced principally because a question concerning the district's compliance with title VI of the Civil Rights Act of 1964 had to be settled.

In early November a regional official visited Memphis and helped the district to modify its application to bring it in line with the recommended funding level. The 24 activities were cut back to 18 and a grant was approved on November 12, 1970, for \$992,531.

A district official told us that HEW did not allow the district enough time to do the detailed professional planning necessary for its activities. As of January 31, 1971, the district had not initiated detailed plans for five of the 18 activities and plans for most of the remaining 13 activities were incomplete.

A district official told us that the district was having difficulty filling the 112 positions estimated to be needed to implement the ESAP activities because the persons sought for these positions were already employed when the grant was approved and were reluctant to transfer due to the short time remaining in the grant period. As of March 1, 1971, only 60 employees had been hired. A school district official said that he did not expect the project activities to be fully implemented by the end of the grant period.

Despite the difficulties being experienced by the district in filling the 112 positions included in the original grant, the district received a supplemental grant of \$500,000 on February 18, 1971, which authorized activities that would require the hiring of 66 more employees. The original completion date of the grant period--August 31, 1971--was not extended.

Atlanta Public School System
Atlanta, Georgia

A major activity of Atlanta's ESAP project was the development of a program to identify specific school desegregation problems at each of the 150 schools in the district. Each school was requested to identify its most urgent needs and to submit a proposal estimating the cost of activities to meet these needs. About \$779,000 of the total grant of \$1,150,989, which was awarded on October 21, 1970, was allotted to the schools for such activities. As of March 2, 1971, 18 schools had submitted proposals that had been approved by the Atlanta ESAP coordinator. We visited four of these schools and noted that at two the approved activities had not been implemented.

Another project activity provided about \$201,000 for the purchase and installation of 37 communication skill laboratories to aid in teaching language arts. Only two schools had proposed acquiring these laboratories and no equipment had been purchased as of February 11, 1971. Also the district made no provision for advance training of teachers in the operation of the laboratories until March 1971.

The project was approved on October 21, 1970, and as of January 31, 1971, the Atlanta Public School System had expended \$8,268 of its grant, of which about \$5,000 was for salaries of employees administering the ESAP project.

We discussed the delay in implementing the activities with representatives of the school system. The assistant superintendent for research and development agreed that progress had been slow but said that it was beginning to pick up. He said that one reason for the slow progress was the late award of the grant and that, if the grant had been made in the summer before school started, it would have allowed time for necessary preplanning.

Expenditures not in accordance
with grant terms and conditions

ESAP grantees must comply with general terms and conditions developed by HEW to regulate the program. Although most of the school districts appeared to be complying with the terms and conditions of their grants, two districts were not.

Talladega County Board of Education

Talladega's ESAP project included \$40,000 for materials and fixtures to build dressing rooms and shower facilities at two schools. Labor costs were to be borne by the district. In reviewing the district's application, Region IV officials did not question the construction of the facilities, only the amount thereof.

The proposed facilities will consist of two permanent buildings, one at each school. Each building will measure 50 by 58 feet and will contain separate showers and dressing rooms for boys and girls, two classrooms, and two offices. It appears that this construction is not in accordance with the ESAP terms and conditions which specify that funds not be used for the construction of new facilities or for major structural changes in or additions to existing facilities.

Dillon County District No. 2

The Dillon grant provided for the establishment of an instructional materials center with an estimated cost of \$66,000, including the salary of a director, the cost of renovating space for the center, and the purchasing of instructional materials and an instructional materials van. After the grant was approved, the district decided not to hire a director because there was no assurance that ESAP funding would continue in future years and because the district had no other funds with which to continue to pay salary costs.

The district had purchased about \$20,000 worth of instructional materials, most of which were distributed to the schools. Space for the materials center was renovated, but no materials had been stored in this space. An

instructional materials van had been ordered and delivery was expected about April 15, 1971. Since the materials center was not being used as a central storage point, however, the van was not needed to transport materials to the schools in the district and there were no definite plans for its use.

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Although we brought these matters to the attention of Region IV Office of Education officials, they did not indicate what action, if any, would be taken on them. We believe that HEW should take appropriate measures, including the use of the HEW Audit Agency, to follow up on these matters.

Compliance with ESAP regulations and assurances

At the time of our visits, none of the 13 school districts had fully complied with one or more of the assurances given in their ESAP applications or with certain ESAP regulation requirements pertaining to (1) assignment of teachers and staff, (2) transfer of property to nonpublic schools practicing racial discrimination, (3) supplanting of non-Federal funds, (4) formation and use of biracial and student advisory committees, and (5) publication of ESAP project terms and provisions.

Assignment of teachers and staff

The ESAP regulations require that a grantee school district sign an assurance that it will take effective action to ensure the assignment of teachers and staff who work directly with children at a school so that the ratio of minority group to nonminority group teachers and other staff in each school is substantially the same as the ratio for the entire school district.

The Office for Civil Rights, in making its compliance reviews, generally considers a school district to be in compliance with this requirement if the ratio of minority group to nonminority group faculty in each school deviates no more than 5 percent from the ratio of the entire school district.

Also the Office for Civil Rights policy is to give school districts until the beginning of the 1971-72 school year to comply with this regulation requirement. The general terms and conditions of the ESAP regulations provide for termination of funds if the grantees do not comply with the regulations.

One of the 13 school districts had not, in our opinion, taken effective action at the time of our review to accomplish the required staffing ratio at many of its schools. The Atlanta Public School System is desegregating under a Federal court order. The order called for faculty reassignments to begin in March 1970 and showed the required faculty composition by race for each school in the district. These projected assignments were to be accomplished by August 20, 1970, and would have resulted in each school's having a ratio of minority group to nonminority group teachers that was substantially the same as the ratio for the entire school system. The ratio established by the court order is the same as that required by the ESAP regulations.

Our review of district reports dated September 1970 showed that the racial composition of teachers in each school was substantially different from the projections included in the court order. For example, the court order included projections of the number of minority group and nonminority group teachers in each high school in the system which, if met, would have resulted in each high school's having about a 52-percent minority group faculty. In 26 of the high schools, the percentage of minority group teachers ranged from 37 to 71 percent when school opened in September 1970. The same condition existed in many of the elementary schools where the faculty projection was about 60 percent in the minority group, but actual faculty assignments had resulted in a range from 40 percent to 88 percent in the minority group.

We discussed this deviation from the court order with the superintendent of education. He believed that the district was not required to maintain the minority group to nonminority group faculty ratio once the assignments required by the court order had been met. He based his position on a ruling by the U.S. Court of Appeals for the Fifth Circuit made on September 25, 1970, that states, in part, that:

"once a unitary system has been established the system-wide racial ratio may thereafter change from time to time as a result of nondiscriminatory application of objective merit standards in the selection and composition of faculty and staff."

We were unable to determine whether the district had ever achieved the faculty assignments projected by the court order because statistics on the racial makeup of faculty were not maintained on a continuing basis.

We discussed this matter with Region IV officials who said that they disagreed with the superintendent's interpretation of the court decision and stated that HEW's policy was that a district must, within reasonable limits, maintain the required minority group to nonminority group faculty ratio in each school even if this required reassignments of faculty on a semester basis. They said that they would follow up on this matter with the school district.

There is nothing in the ESAP regulations or in the ESAP application containing a district's assurance with respect to the assignment of faculty, which in any way indicates that a district does not have to take continuing action to maintain the proper ratio once that ratio has been attained. In our opinion, the school district is obligated to take effective action by the beginning of the 1971-72 school year to comply with the assurance given in its application.

Lease of property to a nonpublic school

The ESAP regulations require an assurance that an applicant has not engaged in the gift, lease, or sale of property or services to any nonpublic school which, at the time of such transaction, practiced racial discrimination. If the applicant has engaged in such transactions, the ESAP application form requires the applicant to include the name and address of the nonpublic schools to which the property or services were transferred and their actual or estimated value.

The Wilkinson County school district in Georgia had leased a school building on April 20, 1970, to a private

school for \$500 a year. The district superintendent told us that the private school began operation in this building in September 1970, the month the district filed its ESAP application, and that the school was for white students only. The district also had sold a school building at public auction for \$500, in March 1970, to a private school that intended to use the building as a school for white students only. The school closed, however, after about 4 weeks and has since remained vacant. We asked the superintendent why these transactions were not reported to HEW as required and were told that they were not listed in the application because he did not want to take the time to explain them.

Region IV officials agreed that it appeared that the school district had not complied with the assurance given in its application and said that they would follow up on this matter with the district.

In eight of the 13 districts, we were unable to determine whether any equipment had been given, sold, or leased to nonpublic schools because records were not maintained that would show this type of information.

Supplanting of non-Federal funds

The ESAP regulations require that Federal funds made available under the program not be used to supplant funds which were available to the applicant from non-Federal sources prior to desegregation. At two school districts, ESAP funds were being used, in our opinion, to supplant funds normally available to them from non-Federal sources.

In Crisp County, Georgia, the district's 1970-71 approved school budget included allowances for the purchase of five new school bus chassis and bodies. The vehicles were received by the district in August 1970.

School district officials told us that, on September 3, 1970, the district informed Region IV of the need for additional buses that resulted from desegregation and that three of the five bus bodies had been acquired but were not paid for. Regional officials told the district to include the purchase of the bodies in its ESAP application. The grant was approved on September 12, 1970, and included \$10,800 for

the purchase of the bodies. In our opinion, the ESAP funds used to pay for the three bus bodies supplanted funds previously earmarked for that purpose in the district budget and thereby made those funds available for other purposes.

At Dillon County School District No. 2, ESAP funds were being used to pay the salary of a principal's secretary. The district superintendent told us that he had authorized payment of the secretary's salary with ESAP funds because general salary funds had been short and, unless paid with ESAP funds, the secretary would have been discharged. Our review of the secretary's duties and discussion of these duties with her indicated that they were not related to ESAP.

Although we brought these matters to the attention of Region IV Office of Education officials, they did not indicate what action, if any, would be taken on them. As stated previously, we believe that HEW should take appropriate measures, including the use of the HEW Audit Agency, to follow up on these matters.

Formation and use of biracial and student advisory committees

The ESAP regulations require that biracial and student advisory committees be formed and consulted in the administration of ESAP projects and contain specific requirements on how members of these committees are to be selected.

At three districts, the biracial advisory committees were not selected as required; at three other districts the committees were not properly consulted in the administration of ESAP projects; and at one district the committee members were neither properly selected nor consulted.

In only two of the 13 districts were student advisory committee members properly selected and consulted with respect to carrying out the ESAP projects. Of the remaining 11 districts, four had not properly selected committee members, one was not consulting with the members, and six had not selected the committee members properly nor consulted with them.

We discussed our observations with Region IV officials and provided them with details on each of the districts visited. The officials said that they would follow up on our observations and would attempt to get the districts to comply with the ESAP regulations.

Publication of project terms and provisions

Of the 13 districts, four had not published in a local newspaper the terms and provisions of their approved ESAP project, contrary to ESAP regulations. At another district the superintendent said that information on its ESAP project was published but he was unable to furnish us with a copy of the article. Although two other districts had published some information on their ESAP projects, we believe that the information did not adequately describe the terms and provisions of the projects.

CHAPTER 5

SCHOOL DISTRICTS' IMPLEMENTATION OF ESAP PROJECTS

APPROVED BY HEW SAN FRANCISCO REGIONAL OFFICE

HEW Region IX, which has headquarters in San Francisco, California, comprises the four States of Arizona, California, Hawaii, and Nevada. According to Office of Education statistics, 1,380 school districts were operating public schools in these States in the fall of 1970. As of June 30, 1971, two of these districts--Inglewood and Pasadena, California--had received ESAP grants totaling \$189,938. We reviewed both of these grants.

Pasadena appeared to be eligible to receive ESAP assistance. We questioned the eligibility status of Inglewood, however, because the district did not appear to be in the terminal phase of desegregation at the beginning of the 1970-71 school year, contrary to the ESAP regulations.

After we brought the situation to the attention of HEW, it reevaluated Inglewood's eligibility and concluded that the district was not implementing a 1970-71 terminal phase desegregation plan which met ESAP requirements. HEW advised the district that no further payments under the grant would be made and that a question would be raised as to whether the district would have to repay the amount already advanced.

We believe that the projects approved by Region IX for Inglewood and Pasadena generally were designed for and directed toward meeting special needs incident to achieving and maintaining a desegregated school system. At Inglewood, however, some teacher-aides were being used contrary to the provisions of the district's approved project. Also the two districts had not fully complied with certain of the assurances given in their ESAP applications or with certain regulation requirements.

ELIGIBILITY OF SCHOOL DISTRICTS

Region IX officials had submitted to HEW headquarters in Washington, D.C., the names of districts, including

Inglewood, whose plans they had determined were in the terminal phase. These school districts were then requested to submit copies of their desegregation plans to HEW headquarters for review and final determination of their eligibility. On October 6, 1970, HEW's Office of General Counsel notified Region IX that Inglewood was eligible for financial assistance under ESAP. On December 7, 1970, Inglewood received a grant of \$74,938.

On February 24, 1971, Inglewood submitted a proposal for supplemental funds of \$154,897 and on March 30, 1971, received approval from HEW; however, expenses could not be incurred until the project budget was finalized. In June 1971 HEW determined that the supplemental funds should not be used because Inglewood had not entered the terminal phase of its desegregation plan.

The regulations required that, to be eligible for ESAP, a school district be in the terminal phase of its desegregation plan by the beginning of the 1970-71 school year. Our review of the desegregation plan for Inglewood, which plan was approved by the State court, showed that the secondary schools were being integrated on a grade-by-grade basis and would not be fully integrated until the 1973-74 school year. Only the elementary schools and the seventh and ninth grades in the junior and senior high schools, respectively, were integrated in the 1970-71 school year.

Because it appeared that Inglewood was not in the terminal phase of its desegregation plan, in March 1971 we asked HEW's Office of General Counsel to reevaluate the district's eligibility and to provide us with a decision as to whether the district met the terminal phase requirement under ESAP. In May 1971 an HEW Office of General Counsel official advised us that a reevaluation of Inglewood's eligibility showed that the district was not implementing a 1970-71 terminal phase desegregation plan which met the ESAP requirements and that proceedings therefore would be started to void the district's grant.

By letter dated June 14, 1971, Region IX advised the district that the initial determination of its eligibility had been in error and that a further review had indicated that the district was not operating at the time the grant

was made and still was not operating under a plan directing commencement of the terminal phase of desegregation by the opening of the 1970-71 school year, contrary to the ESAP regulations. The district was advised that, since the Office of Education had no legal authority to make grants to an ineligible recipient, further payments under the grant would not be made.

The letter further stated that, because of the unusual circumstances surrounding the grant and because of the unique nature of ESAP, the Comptroller General of the United States would be asked to render a decision as to whether Inglewood should be required to repay the amount--\$18,735--already advanced. By letter dated July 14, 1971, HEW made the request.

IMPLEMENTATION OF PROJECTS

The ESAP grants of both Inglewood and Pasadena were primarily for hiring teacher-aides. At the completion of our fieldwork in March 1971, the districts had hired all of their teacher-aides and had placed them in the schools.

Teacher-aides not used in accordance with approved project

Inglewood's approved ESAP project provided for hiring elementary school teacher-aides who were to give concentrated assistance to minority group students identified as having deficiencies in basic skill development in language arts. Aides at the secondary schools were to be assigned to an existing remedial-reading program to assist those students who had reading disabilities and those who were unable to speak English as a primary language.

In five of the eight schools we visited, aides were being used contrary to the provisions of the approved project. For example, aides were being used to assist teachers of grades, such as the 10th, 11th, and 12th grades, not affected by the desegregation plan in the 1970-71 school year. (See p. 57.) Aides were being used also in other than remedial-reading classes, such as journalism, publications, mathematics, and history classes.

Officials at these schools told us that they used the aides in other than the authorized classes because the officials (1) had not received instructions from the district on how the aides were to be used and (2) believed that the aides were not qualified to assist in remedial-reading classes. They believed also that certain teachers would not work effectively with aides.

We discussed the use of the aides at the schools with district officials who told us that they were unaware of the situation and would take steps immediately to ensure that the aides were used in accordance with the approved project. They also said that they would monitor how the schools were utilizing the aides.

Compliance with ESAP regulations and assurances

Both Inglewood and Pasadena school districts had not complied fully with certain assurances given in their ESAP applications or with certain ESAP regulation requirements pertaining to formation of biracial and student advisory committees and to publication of ESAP project terms and provisions.

Formation of biracial and student advisory committees

The districts did not establish their biracial advisory committees within 30 days of approval of their applications, contrary to the ESAP regulations. The formation of Inglewood's committee was delayed for 53 days and Pasadena's for 56 days. District officials told us that the delays had been caused by time constraints resulting from the Christmas holiday vacations. Both applications were approved in mid-December 1970.

At two schools in Inglewood and two schools in Pasadena, members of the student advisory committees were selected by the school principals rather than by the student bodies, contrary to the regulations. Also one of these committees in each district was not composed of an equal number of minority and nonminority group children, contrary to the regulations.

After we brought these matters to its attention, the HEW headquarters Office for Civil Rights promptly sent letters to both districts citing the requirements which they had not met with respect to the committees and requesting them to notify HEW within 10 days as to what steps they had taken to meet the requirements. According to the districts' responses, the districts have taken action to meet the requirements.

Publication of project terms
and provisions

Both districts published articles in their local newspapers covering the terms and provisions of their grants. Inglewood's publication, however, was made 70 days after grant approval rather than within the required 30-day period.

CHAPTER 6

SCHOOL DISTRICT'S IMPLEMENTATION OF ESAP PROJECT

APPROVED BY HEW KANSAS CITY REGIONAL OFFICE

HEW Region VII, which has headquarters in Kansas City, Missouri, comprises the four States of Iowa, Kansas, Missouri, and Nebraska. According to Office of Education statistics, 2,669 school districts were operating public schools in these States in the fall of 1970. As of June 30, 1971, two of these districts had received ESAP grants totaling \$86,560. We reviewed the grant made to one of these districts, the New Madrid County R-1 Enlarged School District, New Madrid, Missouri.

On October 22, 1970, the school district received approval for a grant of \$57,385--\$21,770 for special community programs and \$35,615 for special pupil personnel services. As of January 31, 1971, the district had received about \$14,000 of its grant funds, of which about \$5,300 had been expended.

We believe that the school district met the eligibility requirements for ESAP and that it had complied with the assurances given in its application. We believe also that the problems identified in the district's application related to, or were compounded by, desegregation and that the programs proposed were directed toward meeting these problems.

Although the school district had established a biracial advisory committee, it was not operational and had not been involved in the project's implementation.

IMPLEMENTATION OF PROJECT

The school district identified two problem areas in its application--a breakdown in parent-community school communication and severe educational deficits of some of the children--and proposed program activities designed to meet these problems.

To bring about social and racial adjustments and, in general, create better lines of communication between the

community and the school, the district proposed in its application, under the activity "Special Community Programs," to add personnel with training in sociology and psychology. Such personnel were to act as a liaison between the community and the school to promote better understanding among students, teachers, parents, and community groups and to resolve existing problems.

To enhance educational achievement, the district proposed, under the activity "Special Pupil Personnel Services," a program to supplement its remedial-reading program. Under the program the district proposed hiring two reading specialists to administer and perform diagnostic testing for all children identified with low reading achievement and to provide certain instructional materials. Funds were proposed under the program to provide the remedial-reading teachers with courses in remediation and diagnostic reading-learning disabilities. According to a school district official, the courses are needed to qualify the teachers for State certification as reading specialists.

At the time of our review, the school district had implemented both programs but only on a limited basis and primarily by using existing school personnel. The school district superintendent told us that the district had been unable to hire the needed full-time personnel because the grant was received after the school year started.

Special community programs

As of February 1971 the district had not employed a full-time director for the special community programs. The superintendent told us that he hoped to hire someone full time before June 30, 1971, the end of the grant period. A member of the district's administrative staff was acting as director of the special community programs on a part-time basis. According to the superintendent very little had been done to implement the programs. The acting director said that he had discussed problems of racial tension with three members of the district's administrative staff who had been designated as advisors. Records or minutes of these discussions, however, were not maintained. The acting director said also that there had not been any meetings or formal contracts with the biracial advisory committee or with the general public.

The acting director and his advisory committee had proposed construction of playground facilities with district funds. In addition, the committee had in the planning stage a summer recreation program at five playgrounds in the communities served by the district. The committee was planning to combine supervised play for children with instruction on good citizenship, personal hygiene, and drug abuse. The acting director believed that the establishment of additional playground facilities would ease problems resulting from desegregation.

The HEW Region VII program officer told us that he was not aware of the school district's progress in implementing the special community programs. He said, however, that he found it hard to relate the recreational planning activities of the acting program director to the intended functions proposed in the district's application. He believed that the primary function of the program director should be in the public relations area. He said also that he would take a close look at the implementation and accomplishments of the district's special community programs.

The program advisory committee's effort in developing community recreational facilities and the programs could be considered within the scope of the special community programs. We believe, however, that the programs had not been sufficiently implemented at the time of our review to demonstrate their effectiveness in solving problems relative to desegregation.

Special pupil personnel services program

The school district had not hired the two reading specialists proposed for the program. The district's reading-curriculum supervisor, who is a qualified reading specialist, was director of the program on a part-time basis in addition to her regular duties. The superintendent told us that the director devoted her authorized free time of 1 hour during the day plus several hours following the regular-duty day to earn her compensation as the part-time director of the program. He also said that she would aid with the teacher education courses planned for June 1971.

The district used ESAP funds to purchase instructional supplies including reading text materials and various testing and evaluation materials. These items, along with the supplies and equipment purchased with district funds, were used in conducting 10 remedial-reading classes. The remedial-reading classes include both minority group and nonminority group children, and the teachers of such classes are paid from other than ESAP funds.

The director told us that the ESAP funds enhanced the district's existing remedial-reading program and allowed the program to be fully implemented a year earlier than it would have been without the ESAP funds. She attached particular significance to the time element, stating that each year a child gets further behind socially and in his education.

The director told us also that the ESAP funds had enabled the district to supplement State-required achievement tests with various diagnostic tests. She said that achievement tests show at what level a child reads, whereas diagnostic tests, which are administered individually, show why a child reads at a particular level. According to the director, diagnostic testing, except for the school unit where she was the reading specialist, had not been done in the district prior to the 1970-71 school year.

School district officials and teachers told us that benefits were being attained from the remedial-reading classes. Although ESAP has undoubtedly enhanced the existing remedial-reading program, the degree to which it has done so cannot be readily measured because the ESAP activity supplements, and is interwoven with, the district's remedial-reading program.

Inactive biracial committee

Although the school district had formed a biracial advisory committee in accordance with the regulations prior to submission of its application, the district had not consulted with the committee on policy matters arising in the administration and operation of the ESAP project. The committee was not operational, and the members that we contacted were not familiar with the programs. The committee chairman only vaguely remembered discussing the district's

proposed ESAP project with a school district official and signing the committee endorsement statement included with the application.

Committee members that we contacted did not know how they were appointed and were unable to tell us what programs were involved in the ESAP project or who else was on the committee. When we informed the members of the nature of the project, they expressed their belief that the project represented needs of the district related to desegregation.

Project expenditures

As of January 31, 1971, the district had received \$14,346 (25 percent) of its grant funds and had spent \$5,343--\$2,772 for the special community programs and \$2,571 for the special pupil personnel services program. A full-time secretary had been hired under the special community programs activity, and her salary and related benefits made up approximately 59 percent of that activity's expenditures. The secretary was used primarily for the special pupil personnel services program, although she was paid with funds made available for the special community programs activity.

For most of the other cost categories in the ESAP programs where the school district had spent funds, the items acquired corresponded with the cost categories and were for the programs charged. However, we brought a questionable expenditure of \$107, representing the partial cost of a trip made by the school district superintendent to HEW headquarters in Washington, D.C., to the attention of the HEW Region VII program officer who said that the item was not an allowable program expense and that he would follow up on this matter at the time of his onsite visit to the school district.

The school district estimated that, if full-time personnel were not obtained by June 30, 1971--the end of the grant period--about \$24,300, or 42 percent of the grant amount, would be spent.

CHAPTER 7

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

In many cases school districts were not complying with the ESAP regulations and the assurances given in their applications. Although some of the items of noncompliance were of less significance than others and did not adversely affect the conduct of the school districts' ESAP activities, we believe that our review indicates a need for HEW to strengthen its system of monitoring districts' implementation of their ESAP projects.

Of the 28 school districts, 24 appeared to be eligible for ESAP assistance. One of the remaining four districts was ineligible because it was not in the terminal phase of desegregation at the beginning of the 1970-71 school year, contrary to the ESAP regulations. In the other three districts, questions of compliance with the nondiscrimination requirements of title VI of the Civil Rights Act of 1964 were unresolved.

Generally the districts' activities were designed for and directed toward meeting special needs incident to achieving and maintaining a desegregated school system. Some activities, however, appeared to be directed more toward aiding education in general than toward solving problems arising from desegregation.

ESAP project activities of some of the districts may not be implemented or will be only partially implemented during their grant periods, which will leave unresolved the problems faced by the schools. In addition, a number of activities were not being carried out in accordance with the provisions of the approved applications or with certain program requirements. For example:

- At four districts, ESAP funds were not expended or other resources were not used in accordance with the provisions of the approved projects. (See pp. 16, 17, 18, and 58.)

- At two districts, ESAP funds were used to hire employees or to acquire equipment although there was no apparent need for them in the ESAP projects. (See pp. 20 and 21.)
- At one district, ESAP funds were used, contrary to the regulations, to partially finance the construction of two permanent buildings. (See p. 49.)
- At three districts, employees were hired for ESAP projects at salary rates which exceeded the limitations on salaries imposed by the general terms and conditions of ESAP grants without the prior written approval of HEW. (See pp. 23, 24, and 33.)
- At one district, funds were transferred from the ESAP accounts and used to finance the operation of two normally self-supporting school activities. (See p. 24.)
- At one district, only minority group students were assigned to an education center, although both minority group and nonminority group students had been recommended by their teachers for the project. (See p. 31.)
- At two districts, there was a need for adequate accounting control over the use of ESAP funds and equipment. (See pp. 18 and 32.)
- At one district, walk-in centers, established to provide counseling service to students experiencing problems because of their enrollment in desegregated schools, were not accomplishing their intended purpose. (See p. 34.)

Most of the school districts had not fully complied with one or more of the assurances given in their ESAP applications or with certain ESAP regulation requirements pertaining to (1) assignment of teachers and staff, (2) transfer of property to nonpublic schools, (3) supplanting of non-Federal funds, (4) formation and use of biracial and student advisory committees, and (5) publication of ESAP project terms and provisions.

Two school districts had not taken effective action to assign teachers and staff who worked directly with children so that the ratio of minority group to nonminority group teachers and staff in each school was substantially the same as the ratio for the entire school district. Two other school districts were using ESAP funds to supplant funds which were available to them from non-Federal sources prior to desegregation. One school district had leased a school building for \$500 a year to a private school for white students only and had not reported the transaction to HEW, contrary to HEW requirements.

The weaknesses in project implementation at the districts were attributable to a high degree to the emergency nature of ESAP and to the need for its expeditious planning, funding, and implementation. The lack of an effective HEW regional office monitoring system also contributed to the weaknesses in project implementation.

During our review we discussed our findings with school district and HEW officials who generally indicated that corrective action would be taken.

RECOMMENDATIONS TO THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

We recommend that the Secretary of HEW, to help ensure that grant funds are used for the purposes intended, take appropriate measures, including use of the HEW Audit Agency, to follow up on the matters discussed in this report and to take corrective action. We recommend also that the Secretary, to help minimize the occurrence of similar problems in the event that additional Federal funding is authorized to help school districts defray the costs of meeting special problems arising from desegregation:

- Allow school districts a reasonable time to identify problems in achieving and maintaining a desegregated school system and to develop plans to effectively meet such problems prior to submitting applications for Federal assistance.
- Emphasize to school districts that grant funds are to be used only for program purposes and that changes in

approved project activities are not to be made without prior written approval of HEW.

- Provide for an effective monitoring system to help ensure that (1) grant funds made available to school districts are being used for the purposes specified in their applications and (2) the school districts are complying with HEW regulations and program requirements.

APPENDIXES

APPENDIX I

GRANTS UNDER EMERGENCY
SCHOOL ASSISTANCE PROGRAM

REVIEWED BY GAO

<u>HEW region, State, and school district</u>	<u>Number of grants reviewed</u>	<u>Amount of grant</u>
REGION III--PHILADELPHIA:		
Maryland:		
Prince Georges County Schools		\$ 532,709
Dorchester County Schools		<u>120,654</u>
Total	2	653,363
Pennsylvania:		
Harrisburg City School District	1	75,723
Virginia:		
Dinwiddie County School Board		85,100
Powhatan County Schools		<u>32,210</u>
Total	<u>2</u>	<u>117,310</u>
Total Region III	<u>5</u>	<u>846,396</u>
REGION IV--ATLANTA:		
Alabama:		
Talladega County Board of Education	1	163,247
Georgia:		
Atlanta Public School System		1,150,989
Crisp County School System		65,925
Appling County Board of Education		38,313
Carroll County Board of Education		28,800
Wilkinson County Board of Education		<u>22,000</u>
Total	5	1,306,027
Kentucky:		
Fulton County Board of Education	1	4,430
Mississippi:		
Jackson Municipal Separate School District	1	1,300,000
North Carolina:		
Columbus County Schools		118,900
Hoke County Board of Education		<u>89,240</u>
Total	2	208,140
South Carolina:		
Dillon County School District No. 2	1	75,000
Tennessee:		
Memphis City Board of Education		1,492,531
Maury City Board of Education		<u>1,500</u>
Total	<u>2</u>	<u>1,494,031</u>
Total Region IV	<u>13</u>	<u>4,555,875</u>

APPENDIX I

HEW region, State, and school district	Number of grants reviewed	Amount of grant
REGION VI--DALLAS-FORT WORTH:		
Arkansas:		
Luxora School District	1	\$ 24,000
Louisiana:		
Orleans Parish School Board		1,953,400
Jackson Parish School Board		<u>42,000</u>
Total	2	1,995,400
Oklahoma:		
Ardmore City Schools	1	26,000
Texas:		
San Antonio Independent School District		1,431,945
West Orange Cove Consolidated Independent School District		49,080
Buffalo Independent School District		<u>14,550</u>
Total	<u>3</u>	<u>1,495,575</u>
Total Region VI	<u>7</u>	<u>3,540,975</u>
REGION VII--KANSAS CITY:		
Missouri:		
New Madrid County R-I Enlarged School District	<u>1</u>	<u>57,385</u>
Total Region VII	<u>1</u>	<u>57,385</u>
REGION IX--SAN FRANCISCO:		
California:		
Pasadena Unified School District		115,000
Inglewood Unified School District		<u>74,938</u>
Total	<u>2</u>	<u>189,938</u>
Total Region IX	<u>2</u>	<u>189,938</u>
TOTAL--ALL REGIONS	<u>28</u>	<u>\$9,190,569</u>

APPENDIX II

WALTER F. MONDALE, MINN., CHAIRMAN

MEMBERS OF THE COMMITTEE ON LABOR AND PUBLIC WELFARE
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WILLIAM B. SPONG, JR., VA.

WILLIAM C. SMITH, STAFF DIRECTOR AND GENERAL COUNSEL

United States Senate SELECT COMMITTEE ON EQUAL EDUCATIONAL OPPORTUNITY (CREATED PURSUANT TO S. RES. 359, 91ST CONGRESS) WASHINGTON, D.C. 20510

November 24, 1970

Mr. Elmer B. Staats
Comptroller General of the
United States
General Accounting Office
441 G Street, N.W.
Washington, D.C. 20548

Dear Mr. Staats:

This letter is to request that the General Accounting Office make a review of the implementation of the Emergency School Assistance Program by the Office of Education, Department of Health, Education, and Welfare.

The program, which is presently funded in the amount of \$75 million by the Office of Education Appropriation Act, 1971, Public Law 91-380, dated August 18, 1970, provides financial assistance to local educational agencies to meet special problems incident to desegregation in elementary and secondary schools. Statutory authority to carry out the program is contained in six separate acts which are cited in the appropriation act.

The Committees of Congress are currently considering a bill to provide for a single authorization for the program to be known as the Emergency School Aid Act of 1970. The \$75 million is the first part of the President's announced plans to ask for a total of \$1.5 billion for the program over the next 2 years.

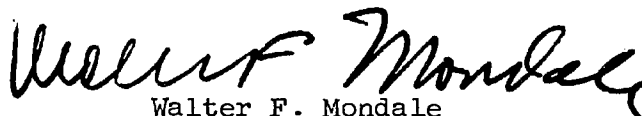
Staff members of the select committee have met recently with representatives of your office to discuss this request and have furnished them with a suggested outline of areas to be covered in the review. It was agreed that during the first phase, the review would be limited to an evaluation of the regulations and procedures established to implement the program. This work is to be performed primarily at the Office of Education headquarters in Washington, D.C., and at each HEW regional office where financial grants have been made. It is contemplated that following the report on this review, follow-on work will be performed at the various school districts included in the review.

APPENDIX II

It is requested that you select 50 projects for review. At least one project in each State which has received funds, as well as a mix of both large and small grants, should be examined.

It is requested that a report of your findings be provided by January 26, 1971, in order that it may be of assistance in the deliberations on the Emergency School Aid bill. The committee staff will be pleased to meet with your representatives at any time during the conduct of the review should any problems arise.

Sincerely,

A handwritten signature in dark ink, appearing to read "Walter F. Mondale", is written over the typed name.

Walter F. Mondale
Chairman